



Foundation Finance & Investment Committee Meeting Minutes for September 22, 2021

3:00PM

Zoom Video:

<https://cccconfer.zoom.us/rec/share/sAjtAXg0T9mAqJg5XbJDssFLyL1huiIXGAFQD9ioiPPp17ruU8FVjgF9owPXAb4u.mXKSKtcuXq-i2k0J?startTime=1632347893000>

Meeting Participants

Committee Members Present

Tom Minder (Chair), Paul Hinkes, Barbara Fromm, Jim Williams, Dale Landon, Jake Wuest

Committee Members Absent:

Paul Hinkes

Non-Voting Committee Members (total #): 1

John Ramont

Non-Voting Committee Members Absent

Guest(s)

Catherine Abbott, Kirstien Renna, Mike Rodriguez, Christine Anderson, Ronda Edwards

Recorder

Juli Maxwell

Meeting Minutes

1. Call to Order/Roll Call

The meeting was called to order at 3:00 pm.

2. Action Items

2.1 Approval of Agenda: Regular Foundation Finance & Investment Committee Meeting of September 22, 2021 Agenda: Pursuant to Government Code Section 54954.2(b)(2), the Committee may take action on items of business not appearing on the posted agenda, upon a determination by a two-thirds vote of the

members of the legislative body present at the meeting, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the local agency subsequent to the agenda being posted as specified in subdivision (a).

2.2 Confirmation of Agenda: Approval of Agenda for the Regular Finance & Investment Committee Meeting of September 22, 2021 with any addition, correction or deletions.

Catherine Abbott asked to add "Creation of a budget ad hoc committee" to the agenda as 6.9

Tom Minder asked to add "Choosing by RFP, a new bank for the Foundation" as item 6.8

Barbara Fromm moved to approve the agenda with additions, Jim Williams seconded. Motion carried.

3. Minutes

3.1 Approval of regular Finance & Investment Committee Meeting Minutes – May 19, 2021.

Paul Hinkes moved to approve the minutes from May 19, 2021 and Jim Williams seconded.

Motion carried.

4. Comments from the Public

4.1 Comments From The Public: Comments from the Public: In accordance with Executive Order N-25-20 and guidance from the California Department of Public Health on gatherings, remote public participation is allowed and will be accepted by email until September 21, 2021 at 5PM to codfoundation@collegeofthedesert.edu and read into the record during public comment.

There were no comments from the public received.

5. Investment Portfolio Update – Ronda Edwards, Merrill Lynch

- Ronda Edwards discussed the current market conditions and how Merrill Lynch is overseeing and adjusting the Foundation's portfolio to protect the managed portfolio during uncertain market conditions, then Ms. Edwards reviewed the Foundations portfolio performance for the period ending March 31, 2021 with an update as of August 31, 2021. Tom Minder invited Ms. Edwards to come back for the next Finance & Investment committee meeting, to discuss alternative investments. Ronda will send research reports to every committee member. Tom explained to the committee

the status of the \$18M gift from Ms. Scott and where and how these funds are currently managed and he explained that in order to invest these funds in the endowed asset fund per the Foundation's Investment Policy Statement, a policy had to be created for Board-designated quasi-endowed funds, as the Board did not currently have such a policy. He stated that this committee would be reviewing the proposed Board Designated Quasi-Endowment policy later in this meeting.

6. Discussion & Action Items

6.1 Review and Approve Financial Statements for the period ended May 31, 2021.

Discussed and approved in 6.2 below.

6.2 Review the Financial Statements for the period ended May 31, 2021 and fiscal year ended June 30, 2021

Kirstien Renna presented the financial statements for the period and fiscal year ended June 30, 2021. For the sake of the new members, Kirstien gave a broad overview of the various giving levels. The committee noted that Foundation would not have reached its goal of 2.3M without the gift from Mackenzie Scott.

Barbara Fromm moved to approve the financial statements for the periods ending May 31, 2021 and June 30, 2021 as presented, Jake Wuest seconded.

Motion carried.

6.3 Review Financial Statements for the period ended July 31, 2021

Kirstien Renna presented the financial statements for the period ended July 31, 2021. . Kirstien discussed that as this is the first month of the current fiscal year, the activities as of July 31st reflect the anticipated seasonal low in fundraising activities due to the nature of donors just returning to the desert.

Jake Wuest moved to approve the financial statements for the period ended July 31, 2021 as presented, Jim Williams seconded.

Motion carried.

6.4 Review and Approve proposed 2021/22 Budget Adjustments

6.4.1 Review Five Year Analysis of Stepping Out for COD Expenditures

Tom Minder gave an overview of the initial approval by the Executive Committee to increase the Stepping Out budget to \$190K. He explained that the request for the increase was due to the need to acquire talent that was

projected to come in at \$100k+. When the talent was found the cost was significantly less than predicted, so even though the budget was increased to \$190k including the marketing expense, it has now been reduced to \$150k which is more accurate for the expected level of expenses based on a study after Kirstien Renna did a 5-year analysis of the expenditures for the event. Kirstien shared her analysis with the committee.

Jake Wuest moved to approve the proposed 2021/22 Budget Adjustments as presented, Jim Johnson seconded.

Motion carried.

6.5 Review Six Year Analysis of Messaging/Marketing Overview

This topic was discussed in 6.4.1.

6.6 Review and Approve request for proposals for Marketing Firms

6.6.1 Eldertree Marketing/Messaging Proposal

6.6.2 HR Advantage Marketing/Messaging Proposal

6.6.3 CV Strategies 2020/21 Marketing/Messaging Contract (for comparison)

Tom Minder gave background on challenges that the Foundation had with the former marketing firm, CV Strategies. Catherine Abbott shared information on each of the proposed marketing firms, and why she would like to move forward with Competitive Edge (HR Advantage). Tom states that this company's owner is also a Foundation board member (Norma Castaneda) so the Foundation must be very circumspect in awarding a contract to a company that is owned by a member of our board. Catherine Abbott stated that the conflict of interest policy does allow a board member's business to be in contract with the Foundation. A couple of caveats to that is it must be fully disclosed by the board member and the board member must recuse themselves before voting on anything that has to do with budgeting for marketing, and, the Executive Committee has to "bless" the contract and the board member's participation in the contract, with the Foundation. Catherine stated that the Foundation would like to move forward with this firm. Tom shared that the firm has already done some work due to time constraints with the Stepping Out event, but this is not part of the contract. After much discussion the committee agreed that Competitive Advantage would be the right choice.

Barbara Fromm moved to approve Competitive Advantage Marketing as the, Foundation's marketing firm. Dale Landon seconded. Motion carried.

6.7 Review and Approve proposed Foundation Quasi-Endowment Policy

At the recommendation by the Foundation’s audit firm Eide Bailly to create a Board Restricted Quasi-Endowment Policy for the \$18M gift received, Kirstien Renna brought a proposed Board Restricted Quasi-Endowment policy to the Finance and Investment Committee for consideration. Tom Minder shared that without this policy, we cannot put the \$18M anywhere. This policy has been vetted by Diane Rubin and by Kirstien Renna and it is something we need to pass today. The Foundation currently does not have the correct policy in effect to invest the \$18M in anything other than “short term nothings”.

Tom Minder moved to approve the proposed foundation quasi-endowment policy, Barbara Fromm seconded.

Motion carried.

6.8 Choosing by RFP, a new bank for the Foundation”

Tom Minder shared that Kirstien Renna has communicated to him that she is unhappy with the current bank because of mistakes being made, and would like to go out to RFP for a new one.

Jim Williams moved to go out to RFP for a new bank for the Foundation, Paul Hinkes seconded.

Motion carried.

6.9 Creation of a budget ad hoc committee

Tom Minder shared that the reason for forming this committee is due to the specific issue of program expenses that really are not an expense. This new committee would decide whether items should or should not be in the budget.

Jim Williams, Paul Hinkes, and Jake Wuest will be on this committee.

6.0 Follow-up Items

5.2 Task of

5.2 Due by

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7. Adjournment

The Committee Chair adjourned the meeting at 5:10 pm.

Next Meeting: October 19, 2021 – 3pm